



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RQ-2

August 4, 2006

Mike Fraioli, Treasurer  
Southern California Fund  
555 South Flower Street, #4510  
Los Angeles, CA 90071

**Response Due Date:**  
**September 5, 2006**

Identification Number: C00361410

Reference: July Quarterly Report (5/18/06-6/30/06)

Dear Mr. Fraioli:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. This notice requests information essential to full public disclosure of your federal election campaign finances. **An adequate response must be received at the Commission by the response date noted above.** An itemization of the information needed follows:

-Your calculations for Line 8 appear to be incorrect. Cash-on-hand at the close of the current reporting period should always equal the closing calendar year-to-date cash-on-hand amount. Please provide the corrected total on the Summary Page.

-Your 2006 Pre-Primary (4/1/06-5/17/06) and July Quarterly (5/18/06-6/30/06) Reports disclose limited payments for administrative expenses. Administrative expenses are payments made for the purpose of operating a political committee including, but not limited to, rent, utilities, salaries, telephone service, office equipment and supplies. Any such payments to a person aggregating in excess of \$200 in a calendar year must be disclosed on Schedule(s) B supporting Line 21(b) of the Detailed Summary Page. 2 U.S.C. §434(b)(5) If these expenses are being paid by a connected organization, your Statement of Organization must be amended to reflect this relationship. 2 U.S.C. §433(b)(2) In addition, if expenses have been incurred but not paid in a reporting period, the activity should be disclosed as a debt on Schedule D, if the obligation is \$500 or more, or outstanding for sixty days or more. 11 CFR §104.11

Any goods or services provided to your committee by a person, except volunteer activity (i.e., a person's time), would be considered an in-kind

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contribution from that person, and would be subject to the disclosure requirements of 2 U.S.C. §434(b)(3) and 11 CFR §104.13, and the limitations and prohibitions of 2 U.S.C. §§441a and 441b.

Clarification regarding administrative expenses should be disclosed during each two-year election cycle beginning with the first report filed in the non-election year. Please verify that all expenses referenced above (i.e., rent, salaries, utilities, etc.) have been adequately disclosed. If volunteers have provided these services, please confirm this in writing.

-Schedule B supporting Line 23 of your report discloses one or more contributions to a candidate(s) for the 2006 Primary election; however, the funds were disbursed after the election date(s) (see attached). Please note that contributions may not be designated for an election which has already occurred unless the funds are to be used to reduce a candidate committee's debts incurred during that election campaign.

If any apparently impermissible contribution in question was incompletely or incorrectly disclosed, you should amend your original report with clarifying information. If the contribution(s) in question should have been designated for debt retirement, you should amend your report to indicate "debt retirement," along with the year of election.

If you have made an impermissible contribution, you must request a refund or provide a written authorization for a redesignation of the contribution pursuant to 11 CFR §110.2(b) within 60 days of the treasurer's receipt.

If the foregoing conditions for redesignations were not met within 60 days of the treasurer's receipt, your committee must obtain a refund.

Please inform the Commission of your corrective action immediately in writing and provide a photocopy of the refund or redesignation request sent to the recipient committee(s). In addition, any refunds should be disclosed on Schedule A supporting Line 16 of the report covering the period during which they are received. Any redesignations should be disclosed as memo entries on Schedule B supporting Line 23 of the report covering the period during which the redesignation is made. 11 CFR §110.1(b)

Although the Commission may take further legal action regarding this impermissible activity, your prompt action in obtaining a refund and/or redesignating the contribution(s) will be taken into consideration.

**Please note, you will not receive an additional notice from the Commission on this matter. Adequate responses received on or before this date will be taken into**

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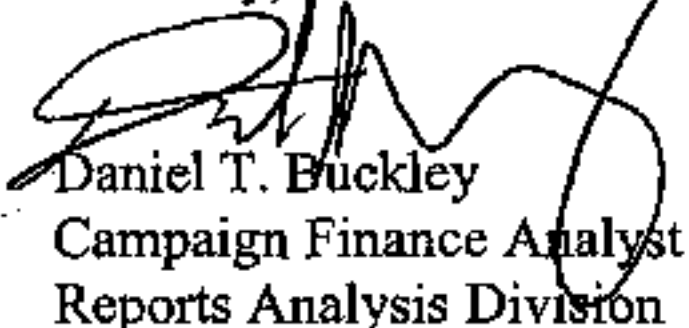
SOUTHERN CALIFORNIA FUND

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consideration in determining whether audit action will be initiated. **Requests for extensions of time in which to respond will not be considered.** Failure to provide an adequate response by this date may result in an audit of the committee. Failure to comply with the provisions of the Act may also result in an enforcement action against the committee. Any response submitted by your committee will be placed on the public record and will be considered by the Commission prior to taking enforcement action.

Electronic filers must file amendments (to include statements, designations and reports) in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended. If you should have any questions regarding this matter or wish to verify the adequacy of your response, please contact me on our toll-free number (800) 424-9530 (at the prompt press 5 to reach the Reports Analysis Division) or my local number (202) 694-1141.

Sincerely,



Daniel T. Buckley  
Campaign Finance Analyst  
Reports Analysis Division

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Recipient Name	Date	Amount	Election	Election State - Date
FRIENDS FOR BARON HILL	05/30/2006	\$1,000.00	P2006	IN - 05/02/2006
Lois Murphy for Congress	06/14/2006	\$1,000.00	P2006	PA - 05/16/2006
Lucas for Congress	05/30/2006	\$1,000.00	P2006	KY - 05/16/2006

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